

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

PUERTO RICO PUBLIC FINANCE
CORPORATION,

Applicant.

PROMESA

Title VI

Case No. 22-cv-1517 (LTS)

AMENDED ORDER REGARDING DRA BOND ISSUE

The Financial Oversight and Management Board for Puerto Rico, as Administrative Supervisor (the “Oversight Board”), and the Puerto Rico Public Finance Corporation, as Issuer (“PFC”), having:

- a. filed the *Application of the Puerto Rico Public Finance Corporation, By and Through the Financial Oversight and Management Board for Puerto Rico, as Administrative Supervisor, for Approval of the Qualifying Modification for PFC Pursuant to section 601(m)(1)(D) of the Puerto Rico Oversight, Management, and Economic Stability Act* (Docket Entry No. 1)¹ (the “Approval Application”), which sought approval of the Qualifying Modification for PFC (the “Qualifying Modification”);
- b. filed on November 30, 2022, the *Urgent Motion for Approval of Joint Stipulation and Order Regarding (A) the Qualifying Modification Pursuant to PROMESA Title VI for the Puerto Rico Public Finance Corporation and (B) Briefing and Hearing with Respect to the Issuance of DRA Bonds* (Docket Entry No. 31) (the “Joint Stipulation Motion”);

and this Court having:

¹ All docket references are to entries in Case No. 22-cv-01517 unless otherwise indicated.

- i. approved the Joint Stipulation Motion by order, dated December 1, 2022 (Docket Entry No. 32) (the “Joint Stipulation”);
- ii. entered the *Findings of Fact, Conclusions of Law, and Order Approving Qualifying Modification for the Puerto Rico Public Finance Corporation Pursuant to Section 601(M)(1)(D) of the Puerto Rico Oversight, Management, and Economic Stability Act* (Docket Entry No. 78) (the “Approval Order”);²
- iii. taken judicial notice the Qualifying Modification became effective on January 12, 2023, when the transactions contemplated therein were substantially consummated (see Docket Entry No. 80);
- iv. scheduled and held a hearing on the DRA Bond Issue on May 10, 2023 (the “DRA Bond Issue Hearing”), considering all oral representations, documents, filings, and evidence regarding the DRA Bond Issue;
- v. overruled the *Objection and Opening Brief of the Collateral Monitor Regarding the DRA Bond Issue* (Docket Entry No. 61); and
- vi. entered the *Opinion and Order Concerning the Issuance of GDB Debt Recovery Authority Bonds in Connection with the Qualifying Modification of the Puerto Rico Public Finance Corporation* (Docket Entry No. 112) (the “DRA Bond Issue Opinion”).

² Unless otherwise noted herein, capitalized terms not defined in this *Order Regarding DRA Bond Issue* (the “Order”) have the meanings ascribed to them in the Approval Order, and if not therein defined, in Title VI of PROMESA. The Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”) is codified at 48 U.S.C. Section 2101, *et seq.* References to “PROMESA” section numbers herein are to the uncodified version of the legislation.

NOW, THEREFORE, the Court having found that adequate and appropriate notice of the DRA Bond Issue Hearing and the opportunity for any party to object to or otherwise take a position on the DRA Bond Issue has been given; and upon the record of the Title VI Case and the legal and factual bases set forth in the documents filed in support of the DRA Bond Issue and presented at the DRA Bond Issue Hearing, including but not limited to the *Response Brief by the Government Parties to the Objection and Opening Brief of the DRA Parties Regarding the DRA Bond Issue* (Docket Entry No. 84) and the joinders in support thereof (Docket Entry Nos. 82, 83, 85), the DRA Bond Indenture, the Transfer Agreement (as defined in the DRA Bond Indenture), and the Transaction Documents (as defined in the DRA Bond Indenture) establish just cause for the relief granted in this Order; and after due deliberation thereon and good cause appearing therefor; and for the reasons set forth in the DRA Bond Issue Opinion, the Court hereby ORDERS THAT:

1. Upon the latest of (i) September 18, 2023, (ii) expiration of any stay of this order first imposed prior to September 18, 2023, by the United States Court of Appeals for the First Circuit, and (iii) instruction from AAFAF or GDB pursuant to Section 2.13 of the DRA Bond Indenture, the DRA is authorized and directed to issue, without delay, new DRA Bonds in the original principal amount of Forty-Seven Million Six Hundred Ninety Thousand Five Hundred and Sixty-One Dollars (\$47,690,561.00) on account of the PFC Bond Trustee GDB Claim subject to compliance with Section 2.03 of the DRA Bond Indenture. The DRA Bonds issued in accordance with this Order constitute “Additional Bonds” as that term is defined in the DRA Bond Indenture and shall have a different CUSIP number as all presently outstanding DRA Bonds.

2. The DRA Bonds issued in accordance with this Order shall be deemed authorized and validly issued for due consideration, and constitute valid, binding, legal, and enforceable obligations of the DRA, under Puerto Rico, New York, federal, and other applicable law.

3. PFC, AAFAF, the Oversight Board, the PFC Bond Trustee, the DRA, the Collateral Monitor, the Servicer, and the trustee for the DRA Bond Indenture are hereby permitted, authorized, and directed to enter into all transactions and take such other actions as may be necessary or appropriate to issue the DRA Bonds in accordance with this Order and the Qualifying Modification.

4. Pursuant to Section 601(m)(2) of PROMESA, the Qualifying Modification, including the issuance of the DRA Bonds pursuant to the terms of this Order, shall be deemed conclusive, valid, and binding in accordance with Section 601(m)(2) of PROMESA, and shall not be subject to collateral attack in any other forum by any party or Entity (subject to any applicable appellate rights).

5. Notwithstanding Rule 62 of the Federal Rules of Civil Procedure or otherwise, this Order shall be effective and enforceable immediately upon entry. Subject to the provisions of paragraph 1 above, the DRA and the trustee for the DRA Bond Indenture are hereby authorized and directed to take such action as may be necessary to issue the DRA Bonds in accordance with this Order.

6. To the extent that any provisions of the Approval Order and this Order are in conflict, the provisions of this Order shall govern.

7. This Court retains jurisdiction over all matters arising from or related to the implementation or interpretation of this Order.

SO ORDERED.

Dated: October 3, 2023

/s/ Laura Taylor Swain
Laura Taylor Swain
United States District Judge